City of Santa Fe Santa Fe County CDM

Request for Qualifications for DB Contract for Buckman Direct Diversion Project

March 10, 2006

Mandatory Pre-Submittal Conference

Meeting Purpose

- Mandatory meeting for Potential Respondents (prime DB contractor) – <u>sign in sheet</u>
- Present Project background, scope and status
- Describe procurement process and key dates
- Provide <u>preliminary</u> responses to questions
- Obtain feedback from attendees

Meeting Protocol

- Changes to RFQ only by written addenda
- ◆ Today's oral statements will be taped to assist in preparing RFQ Addenda No. 2 (March 17 issuance)
- Until 10:30am, written questions may be submitted to the Owners, at which time a 30 minute break will be taken and addressed after the break
- Until the end of the meeting, written comments are requested for Owners' consideration
- Please, no substantive oral questions

Representatives of the Owners

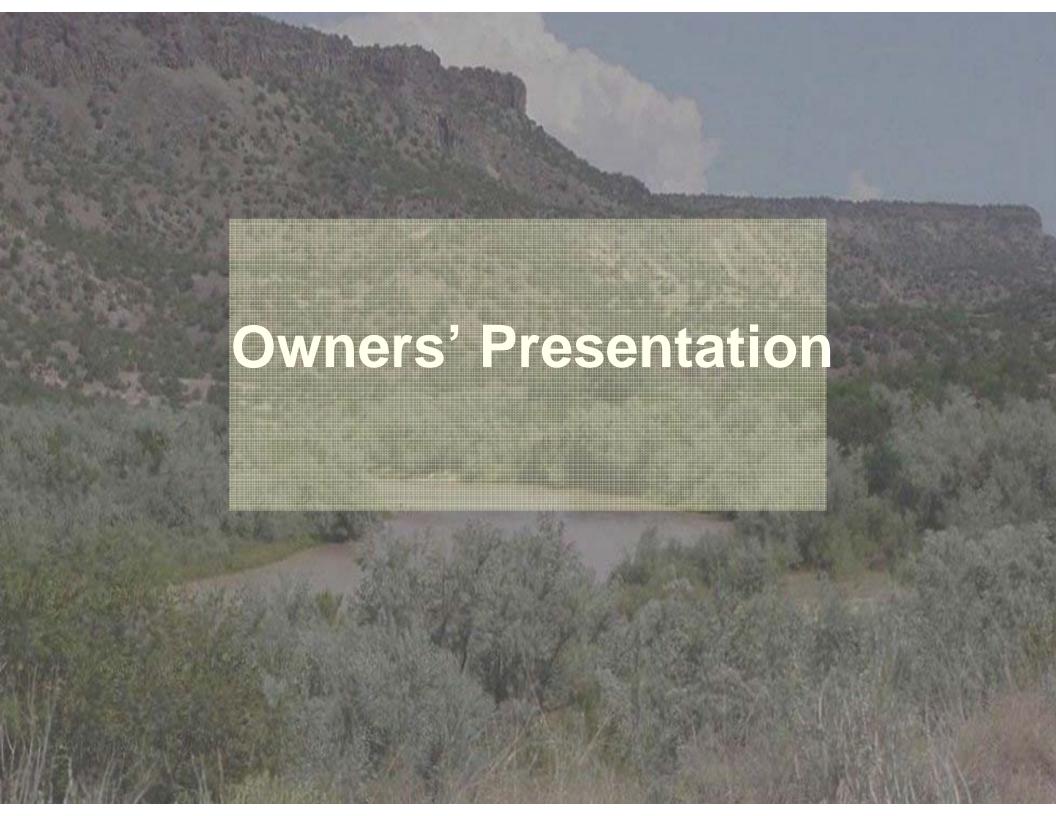
- Rick Carpenter, BDD Project Manager and BDD Contact (City of Santa Fe)
- Steve Wust, Director (Santa Fe County Water Resources Department)
- Doug Sayre, Deputy Director (Santa Fe County Utilities Department)
- Kyle Harwood, Assistant City Attorney
- Robert Rodarte, Purchasing Officer (City of Santa Fe)
- Norm Gaume, BDD Project Consultant

Representatives of the Owners' Consultant (CDM)

- Mark Ryan, Project Manager
- Pat Gallagher, Procurement Manager
- ◆ Theresa Brooks, Project Engineer
- Kelly Collins, Permits

Agenda

- 9:00 am until 10:30 am: presentations and submit written questions (written comments until Noon)
- ◆ 10:30 am until 11:00 am: break
- 11:00 am until Noon: preliminary response to questions and site tour arrangements
- ♦ 1:00 pm: site tour (not mandatory)



Project Description

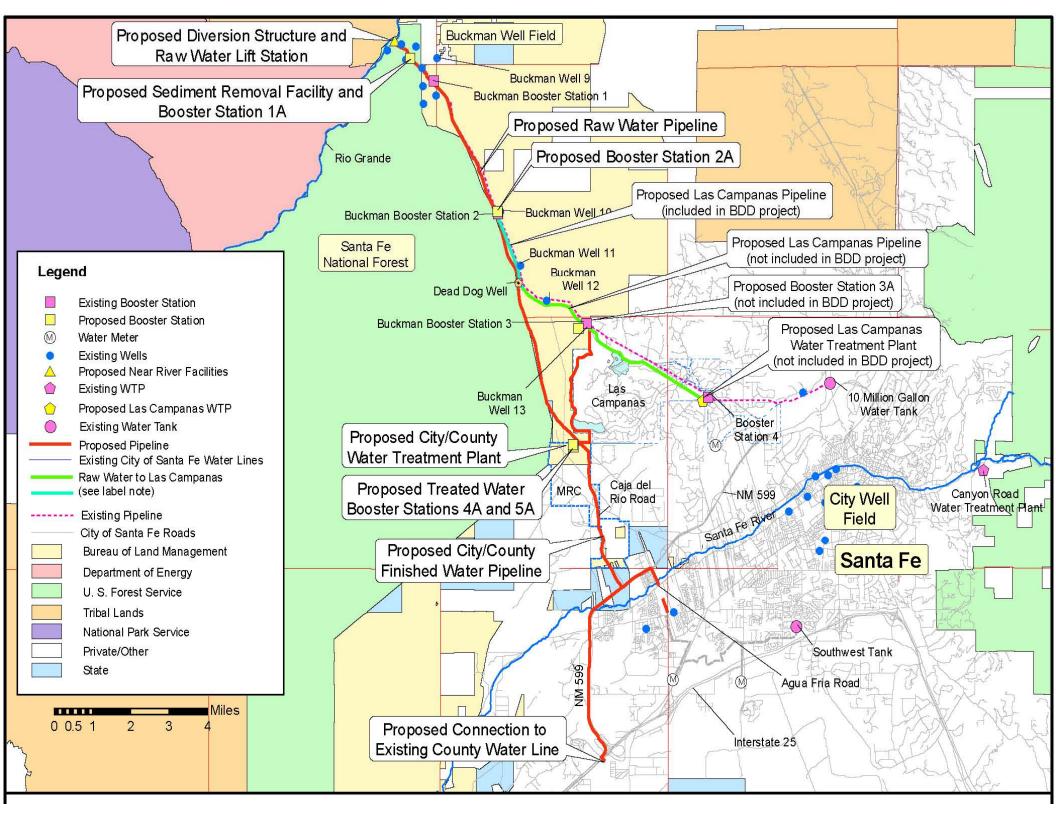
- River Diversion at Rio Grande
- Raw Water Pump Station
- Sediment Removal Facility
- ◆ Two Booster Stations
- 11 Miles of Raw Water Pipeline
- ◆ 15 mgd Water Treatment Plant
- Two Distribution Pump Stations
- 29 Miles of Distribution Pipelines

What is the BDD Project?

 A joint regional project among the City of Santa Fe, Santa Fe County and Las Campanas

 Diverts, treats and distributes water from the Rio Grande – a sustainable supply that augments existing water supply portfolios

Provides up to 18.25 mgd of raw water and 15 mgd of treated water



Project Drivers

- ◆ BDD Project will be an important component of the region's sustainable drinking water system allowing ground and surface water resources to be used conjunctively
- Helps meet City/County near-term drought protection needs and provide an efficient and more balanced use of regional water sources
- Provides for the full use of San-Juan Chama Project water as part of the Owners' water portfolio

Estimated Project Costs

- \$ 145 million (2005\$) total OC's conceptual cost estimate
- \$ 126 million (2005\$) construction OC's conceptual cost estimate
- City and County shares are \$68.5 million each
- Las Campanas share is \$8.0 million

Project Funding

- City funds -- bonds backed by City Gross Receipts Tax, water revenue bonds, and state grants
- County funds -- general obligation bonds,
 Gross Receipts Tax revenue bonds, and state grants
- A detailed Project funding plan will be published in June (before RFP issuance)

Project Delivery – Why Design/Build?

- Reduce implementation time through fasttracking of design and construction
- Single point of responsibility for detailed design, construction and performance
- ◆ DB proposals that add value
- Better quality with integrated design and construction
- Reduce exposure to claims
- Ability to obtain highly-qualified DB teams

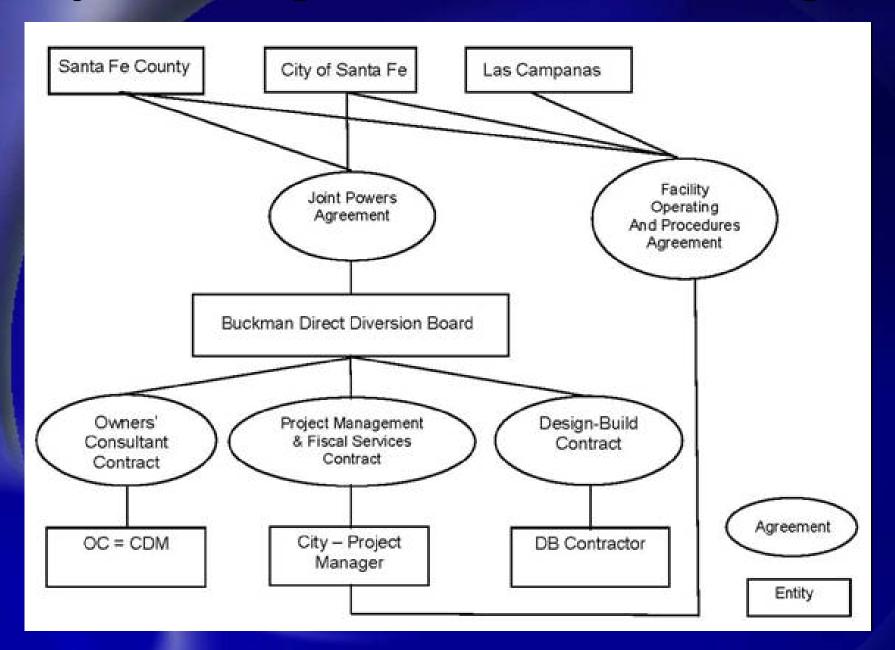
Project Delivery – Owners' Objectives

- Quality Provide high quality facilities and equipment that meet performance requirements in order that the Owners can reliably operate the Project to produce high quality drinking water
- Cost Minimize the Owners' life-cycle cost of the Project

Project Delivery - Owners' Objectives (cont'd)

- Schedule Establish and maintain the Project schedule to deliver the Project in the shortest, practical time
- ◆ Risk Minimize the risks of untimely Project delivery, maximize the clarity and acceptance by all parties of the risk allocation set out in the DB Contract, and minimize the Owners' risks – subsequent to award of the DB Contract – of increased costs and of the completed Project not meeting performance requirements or not complying with the DB Contract

Project Management and Contracting



BDD Board

- Established under a JPA between the City and County to enter into and oversee contracts necessary to implement the BDD Project
- Consists of two City Councilors, two County Commissioners and one at large member
- ◆ Board will award and oversee the DB Contract
- Project Management and Fiscal Services provided by the City of Santa Fe
- DB Contract administration by the Owners' Consultant (CDM)

The Four Phases of the BDD Project

Phase A: Project Planning

Phase B: Development of DB Procurement Documents

Phase C: DB Procurement

Phase D: Implementation

Project Schedule

	2005	2006	2007	2008	2009
Phase A - Planning					
Phase B – Studies, Design, Permits & Procurement Docs					
Phase C - DB Procurement					
Phase D - DB Design/Permitting					
Phase D - DB Construction					



Phase A OC Services

Objectives, Project Delivery Strategy and Risk Mitigation Planning – Project Manual Volumes I and II

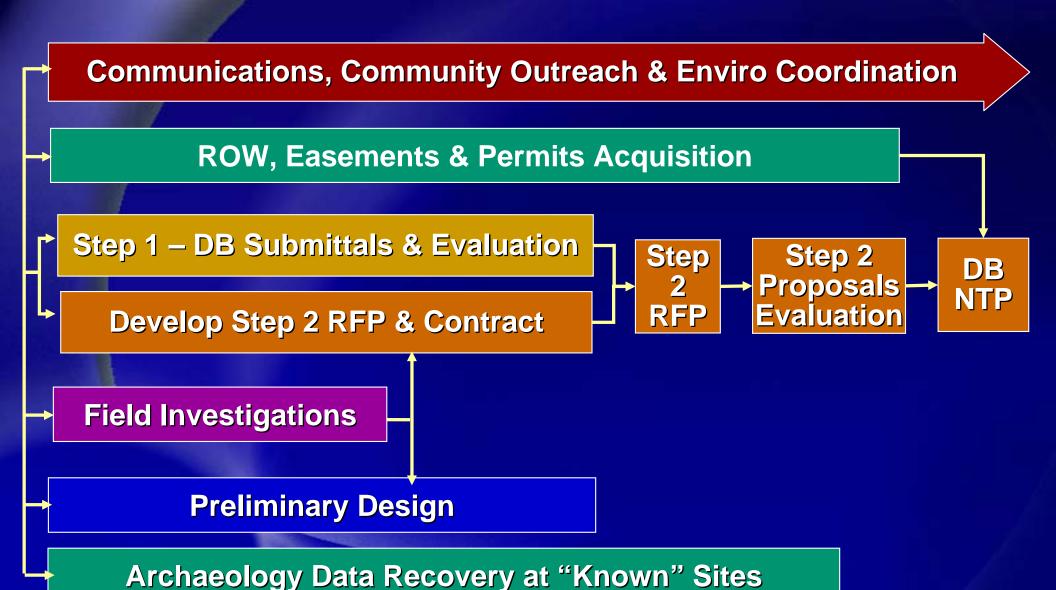
Permit and Easements Planning

Community Outreach & Environmental Coordination Planning

Pilot Testing & Technical Requirements Development

Communications, Scheduling, QA/QC

Phases B and C of OC Services



Phase D of OC Services and DB Work

OC Communications, Outreach & Environmental Coordination

OC Design/Construction Monitoring

DB Design &

OC Operations Support

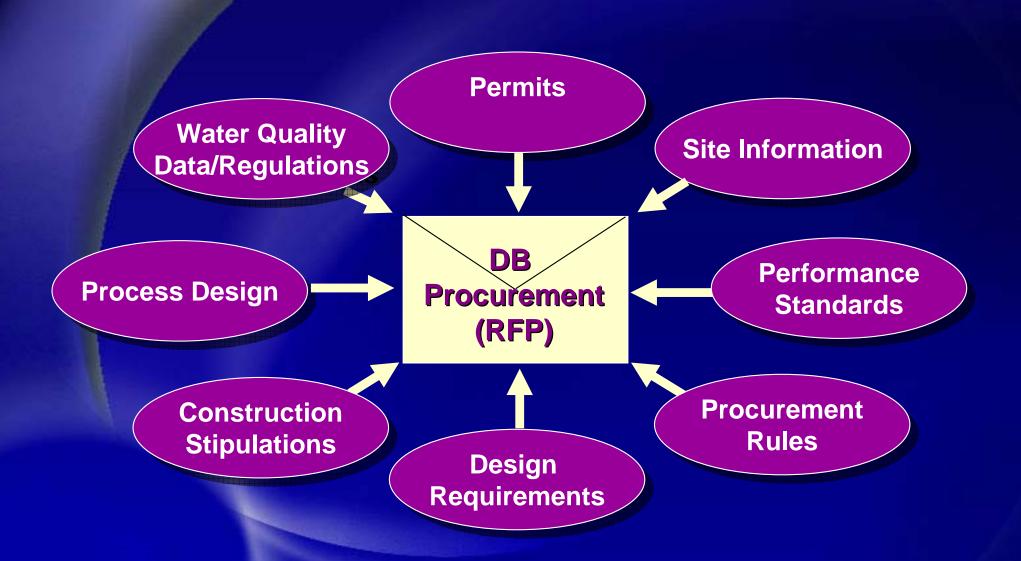
DB Design & Permitting

DB Construction

Startup/Testing

Warranties

OC Development of DB Procurement Documents



Status of OC Services

- Phase A work nearing completion
- Pilot testing is complete report being prepared for RFP
- Geotechnical, surveying, corrosion studies, and a Phase 1 Environmental Site Assessment are being completed – report being prepared for RFP
- Preliminary design is being prepared finish in early June for RFP

Status of OC Services (cont'd)

- Permit applications will be submitted in March and April; easement acquisition underway with County
- Archaeological data recovery at "known" sites to be completed prior to DB Contract
- Preparation of Step 2 RFP and DB Contract are underway – June 28 issuance date

Scope of DB Contractor Services

- Permitting, except those obtained by Owners/OC
- Detailed design based on OC's preliminary design - verified by DB Proposer
- Construction and quality management
- Comply with environmental and related stipulations
- Start up and performance testing
- Project warranties

Project Challenges for DB Contractor

- Scheduling of design packages and deliverables for OC review and for timely filing of permit applications
- Processing of permit applications to obtain on schedule
- Working in areas managed by numerous government agencies

Project Challenges (cont'd)

- Constructing diversion structure in a flowing river
- Keeping work areas secure in remote locations while maintaining access for recreational users on the public lands
- Roadway condition could be challenging for material and vehicle delivery near river

Procurement process

- Based on the City Purchasing Manual provisions for competitive DB proposals
- ♦ Step 1: select short list of up to 3 DB teams
- Step 2: select proposal for contract negotiations
- Present final DB contract for award by the BDD Board

Key Dates for Step 1 RFQ

- Issued February 6
- Addendum No. 1 issued March 10
- ◆ Addendum No. 2 to be issued March 17
- Final date for RFQ suggestions and questions: March 20
- Addendum No. 3 to be issued by March 28
- ♦ Submittals due: April 5
- Announce short list: mid-May

Step 1 Submittal Requirements

- Executive Summary
- Minimum Qualifications Summary
- Organization and Management
- Project Experience and Capabilities
- Financial Condition
- Past Performance
- Project Approach

75 pages, plus appendices

Step 1 Submittal Evaluation

- Responsive
- Minimum Qualification Requirements
 - Financial
 - Licensing and Registration
 - Project Experience
- Comparative Criteria
 - Project Experience and Capabilities (30%)
 - Financial Condition (20%)
 - Project Approach (25%)
 - Past Performance (15%)
 - Organization and Management (10%)

Key Dates for Step 2

- May 15th to June 5th: Initial draft of DB Contract reviewed by short-listed Step 1 Respondents
- ◆ June 28th: Owners issue RFP
- **♦ Sept. 15th: Proposers submit Proposals**
- End of October: initiate final contract negotiations
- End of November: conclude contract negotiations
- ♦ Mid-December: award contract

Step 2 Proposal Evaluation

- Responsive
 - Schedule
 - Project scope and performance requirements
 - Mandatory contract terms
- Cost Criterion (60)
 - Lowest cost = 60 points; points deducted for higher cost based on published scale
- Non-Cost Criteria (40)
 - Will publish objective scales where possible
 - For example, Schedule (say, 10) would award 10 to the earliest guaranteed acceptance date and deduct x points per month for later dates
- Comments?

Strategy 1: Early development of detailed and comprehensive plans to guide future activities of the Owners and the OC

Strategy 2: Assembly of accurate information to reduce project delivery uncertainties

Strategy 3: Optimize the use of insurance and performance security to cost-effectively transfer certain project delivery risks and contract default risk Strategy 4: Allocation of risk to the party best able to control or accept Strategy 5: DB verification of OC's design and OC review of DB's design and construction work

Risk Management Strategy

